

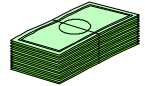
# ARMY ACQUISITION REFORM



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## **ARMY'S NEW THREE-PRONGED APPROACH TO RELIABILITY REDUCES COSTS**



The Army is pursuing a “*three pronged*” approach to address reliability standardization improvement. The *first* part of this approach is to remove mandatory requirements specifying “how to” design or manufacture for reliability, and replace these with *performance-based reliability* requirements. The *second* part is to encourage *state-of-the-art performance-based non-government standards (NGS)*. The *third* part of the approach is to support the use of the best available reliability *engineering technologies: Physics-of-Failure (PoF)*.

The Army’s recent application of the PoF approach on several programs to support commercial component insertion proved extremely successful. The PoF approach was used to reduce the cost of selected circuit cards on the JSTARS Light Ground Station Module from \$19K to \$7K each, resulting in a \$1.2M savings for the low-rate initial production buy. Potential savings from \$31K to \$11K each were identified for selected Comanche circuit cards, which may result in a \$50M savings for the production buy as well as a 15% weight reduction.



## **TEAMWORK REDUCES HOWITZER PARTS PRICES**



A team effort by AMC Headquarters, TACOM, ACALA, RIA, and ARDEC achieved a significant reduction in the prices of 12 parts for the M119A1 Howitzer. Since the prices were established from small production runs at Rock Island and Watervliet Arsenals, there were opportunities for process improvements. Based on recent breakout contracts, commercial alternative estimates, and independent government estimates of production run quantities, prices were reduced by 28 to 97 percent. Efforts to reduce system operating costs will be made through the Supply Management, Army Operating and Support Cost (OSCR).